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**UNITED STATES DISTRICT COURT
 DISTRICT OF MASSACHUSETTS**

 IN RE: NETWORK ENGINES, INC.
 SECURITIES LITIGATION

)
) Civ. Act. No. 03-12529-JLT
)
)
)

**INITIAL DISCLOSURES OF DEFENDANTS NETWORK ENGINES, INC.,
 JOHN CURTIS, DOUGLAS G. BRYANT, AND LAWRENCE A. GENOVESI**

Pursuant to Federal Rule of Civil Procedure 26(a)(1) and Local Rules 26.2(A) and 26.1(B), Network Engines, Inc. ("Network Engines" or the "Company"), John Curtis, Douglas G. Bryant, and Lawrence A. Genovesi (collectively, the "Defendants") provide to Plaintiffs the following initial disclosures:

RESERVATION OF RIGHTS

1. The Defendants' disclosures are based upon information reasonably available to them as of the date these disclosures were prepared. Accordingly, Defendants request the right to supplement the information contained herein if additional information becomes known to them at some later date.

2. In making these disclosures, pursuant to Federal Rule of Civil Procedure 26(a)(1) and Local Rule 26.2, Defendants do not represent that any particular documents actually exist or that such documents are within their custody, possession or control.

3. The Defendants' initial disclosures do not constitute a waiver of any objections Defendants may have, now or in the future, to any discovery in this action.

4. The Defendants' expressly reserve any and all objections which they had, have, or may ever have, including, but not limited to, objections based upon:

- A. Attorney-client privilege;
- B. Attorney work product privilege;
- C. Any other applicable privilege or protection under applicable federal or applicable state law;
- D. Relevance;
- E. Immateriality;
- F. Overbreadth; or
- G. Undue burden or harassment.

5. The Defendants request the right to clarify, alter, amend, modify or supplement the information contained in these initial disclosures in the event that they obtain additional information, to the extent required by the Federal Rules of Civil Procedure and the Local Rules.

6. The Defendants request the right to identify or call as witnesses other individuals in addition to those identified herein, and to identify additional documents, if they discover that such individuals have or might have knowledge of matters relevant to this action or that such additional documents are relevant to this action.

7. The Defendants expressly reserve the right to identify or call expert witnesses in accordance with Federal Rule of Civil Procedure 26(a)(2) and Local Rule 26.4.

8. The Defendants make these disclosures pursuant to the confidentiality agreement and protective order that has been agreed upon by counsel and entered as a court order.

INITIAL DISCLOSURES

Any or all of the foregoing initial disclosures are made subject to and without limiting any of the foregoing reservations of rights.

A. Federal Rule of Civil Procedure 26(a)(1)(A): Individuals Likely To Have Discoverable Information

The following individuals may possess discoverable information that the Defendants may use to support their claims or defenses:

- 1) **John Curtis**
Defendant
Chief Executive Officer & Director
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Curtis may have information concerning the Company's distribution agreement relationship with the EMC Corporation ("EMC"); the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 2) **Douglas G. Bryant**
Defendant
Chief Financial Officer
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Bryant may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 3) **Lawrence A. Genovesi**
Defendant
Chairman of the Board
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Genovesi may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 4) **Jeffrey A. Brandes**
3 Davis Road
Lexington, MA 02421
Phone: (781) 652-8027

Mr. Brandes may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 5) **Michael D. Riley**
Vice President of Marketing and Strategy
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Riley may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 6) **J. Donald Oldham**
Vice President of OEM Appliance Sales
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Oldham may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with

EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 7) **Jim Herlihy**
Controller
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Herlihy may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 8) **Erica Smith**
Director of Investor Relations
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Ms. Smith may have information concerning the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 9) **Richard McNiece**
Director of Account Management
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. McNiece may have information concerning the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 10) **Diane Walsh**

Assistant to the CEO and CFO
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Ms. Walsh may have information concerning the scheduling of meetings with EMC about the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement.

- 11) **Cheri Vallone**
Account Manager
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Ms. Vallone may have information concerning the Company's distribution agreement relationship with EMC.

- 12) **Paul Criswell**
Attorney
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Criswell may have information concerning the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 13) **EMC Corporation**
South Street
Hopkinton, MA 01748-9103
Phone: (508) 435-1000

EMC may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with

EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 14) **Al Windhol**
EMC Corporation
South Street
Hopkinton, MA 01748-9103
Phone: (508) 435-1000

Mr. Windhol may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 15) **Kevin Scheetz**
Credit Suisse First Boston
Eleven Madison Avenue
New York, NY 10010
Phone: 212 325 2000

Mr. Scheetz may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 16) **Fontaine Richardson**
Director
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Richardson may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 17) **Frank Polestra**
Director
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Polestra may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 18) **John Blaeser**
Director
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Blaeser may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 19) **Gary E. Haroian**
Director
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Haroian may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 20) **Robert M. Wadsworth**
Director
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Wadsworth may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

- 21) **Dennis Kirshy**
Director
Network Engines, Inc.
25 Dan Road
Canton, MA 02021-2817
Phone: (781) 332-1000

Mr. Kirshy may have information concerning the Company's distribution agreement relationship with EMC; the proposed amendment to the Company's distribution agreement with EMC prior to the December 10, 2003 public announcement; and the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

B. Federal Rule of Civil Procedure 26(a)(1)(B): Documents Relevant To Facts Alleged In The Pleadings

The Defendants are presently aware of the following categories of documents (including e-mails and other electronic and hard copy documents) in their possession, custody or control that the Defendants may use to support their claims or defenses:

- 1) Documents concerning the Company's distribution agreement relationship with EMC.

2) Documents concerning the December 10, 2003 amendment to the Company's distribution agreement with EMC.

3) Documents concerning the December 10, 2003 announcement of the amendment to the Company's distribution agreement with EMC.

C. Federal Rule of Civil Procedure 26(a)(1)(C): Computation Of Claimed Damages

The Defendants reserve the right to claim any and all damages against the Plaintiffs which are determined as the Defendants conduct discovery in this case, including, but not limited to, reasonable attorneys' fees, costs and expenses incurred in defending this action.

D. Federal Rule of Civil Procedure 26(a)(1)(D): Relevant Insurance Agreements

The Defendants will provide for inspection to Plaintiffs' counsel at a mutually convenient place and time any insurance agreement(s), such as may exist and may be relevant to this case, under which any insurance carrier may be liable to satisfy part or all of a judgment which may be entered in this action or to indemnify or reimburse for payments made to satisfy any judgment in this action.

RULE 26.1(B)(2) DISCLOSURES

- (a) See Initial Disclosures (A) above;
- (b) None; and
- (c) None.

Respectfully submitted,

NETWORK ENGINES, INC., JOHN CURTIS,
DOUGLAS G. BRYANT, and LAWRENCE A.
GENOVESI,

By their attorneys,

/s/ 

Jeffrey B. Rudman (BBO #433380)

Daniel W. Halston (BBO #548692)

Lynne Campbell Soutter (BBO #657934)

Wilmer Cutler Pickering Hale and Dorr LLP

60 State Street

Boston, MA 02109

(617) 526-6000

Robin L. Alperstein (*pro hac vice*)

Wilmer Cutler Pickering Hale and Dorr LLP

399 Park Avenue

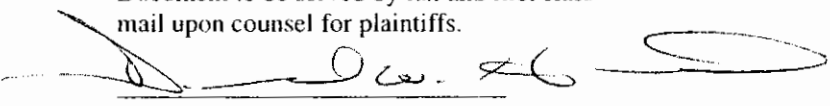
New York, NY 10022

(212) 230-8800

Dated: June 27, 2005

CERTIFICATE OF SERVICE

On June 27, 2005, I caused a copy of this
Document to be served by fax and first class
mail upon counsel for plaintiffs.


Daniel W. Halston

SWORN STATEMENT/VERIFICATION

On behalf of Network Engines, Inc., I have read the foregoing disclosures. The disclosures were prepared with the assistance of agents and representatives, and with the assistance and advice of counsel. The disclosures are based on records and information currently available at this stage of the discovery process and are subject to objections set forth above. I request the right to make any changes in or additions to any of these disclosures if it appears at any time that errors or omissions have been made or if more accurate or complete information becomes available. Subject to these limitations, these disclosures are true to the best of my present knowledge, information and belief. I declare under the penalty of perjury that the foregoing is true and correct. Signed this ____ day of _____, 2005.

By: John Curtis
Chief Executive Officer
Network Engines, Inc.

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

IN RE: NETWORK ENGINES, INC.
SECURITIES LITIGATION

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) Civ. Act. No. 03-12529-JLT
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DEFENDANTS' LIST OF DEPONENTS

The Defendants intend to depose the following individuals:

1. Lead Plaintiff Wing Kam Yu;
2. Lead Plaintiff Blake Kunkel;
3. Lead Plaintiff Thomas Cunningham;
4. Any persons identified by the Plaintiffs in their disclosures pursuant to Local Rule 26.2(A) and Local Rule 26.1(B); and
5. Any experts identified or relied upon by the plaintiffs.

The Defendants request the right to modify this list as additional facts are disclosed by the plaintiffs through discovery.

Respectfully submitted,

NETWORK ENGINES, INC., JOHN CURTIS,
DOUGLAS G. BRYANT, and LAWRENCE A.
GENOVESI,

By their attorneys,


/s/

Jeffrey B. Rudman (BBO #433380)

Daniel W. Halston (BBO #548692)

Lynne Campbell Soutter (BBO #657934)

Wilmer Cutler Pickering Hale and Dorr LLP

60 State Street

Boston, MA 02109

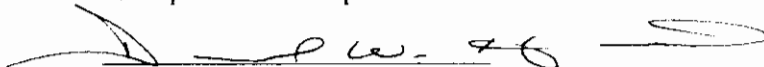
(617) 526-6000

Robin L. Alperstein (*pro hac vice*)
Wilmer Cutler Pickering Hale and Dorr LLP
399 Park Avenue
New York, NY 10022
(212) 230-8800

Dated: June 27, 2005

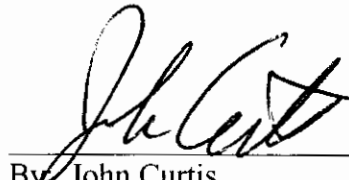
CERTIFICATE OF SERVICE

On June 27, 2005, I caused a copy of this
Document to be served by fax and first class
mail upon counsel for plaintiffs.


Daniel W. Halston

SWORN STATEMENT/VERIFICATION

On behalf of Network Engines, Inc., I have read the foregoing disclosures. The disclosures were prepared with the assistance of agents and representatives, and with the assistance and advice of counsel. The disclosures are based on records and information currently available at this stage of the discovery process and are subject to objections set forth above. I request the right to make any changes in or additions to any of these disclosures if it appears at any time that errors or omissions have been made or if more accurate or complete information becomes available. Subject to these limitations, these disclosures are true to the best of my present knowledge, information and belief. I declare under the penalty of perjury that the foregoing is true and correct. Signed this 28 day of June, 2005.

A handwritten signature in black ink, appearing to read "John Curtis", is written over a horizontal line.

By John Curtis
Chief Executive Officer
Network Engines, Inc.